

**Summary of the Public Information Meeting and Public Hearing
to Obtain Comment on the Proposed Air Pollution Control Permit to Construct
for the GTL Energy Coal Beneficiation Plant**

I. Public Information Meeting

On April 28, 2009, the North Dakota Department of Health, Environmental Health Section, Division of Air Quality, held a public information meeting regarding a proposed Air Pollution Control Permit to Construct for the GTL Energy Coal Beneficiation Plant. The public information meeting began at approximately 6:30 p.m. MDT at the Dickinson City Hall in Dickinson, North Dakota. Members of the North Dakota Department of Health, Environmental Health Section in attendance at the meeting included David Glatt (Chief, Environmental Health Section), Terry O'Clair (Director, Division of Air Quality), Jim Semerad (Manager of Permitting and Compliance, Division of Air Quality), Craig Thorstenson (Environmental Engineer, Division of Air Quality), Kyla Schneider (Environmental Scientist, Division of Air Quality) and Jessica Keller (Environmental Scientist, Division of Air Quality).

To begin the meeting, Terry O'Clair provided an overview of the agenda for the evening and introduced the members of the Health Department. Following the introduction, Jim Semerad and Craig Thorstenson gave a presentation regarding the GTL Energy facility. A copy of the presentation was made available to all those attending the meeting. A copy of the presentation is provided as Attachment 1 to this document.

During and following the presentation, Terry O'Clair, Jim Semerad and Craig Thorstenson provided responses to questions from those attending the meeting. At the conclusion of the meeting, Terry O'Clair informed the meeting attendees that the Department would take a short break prior to beginning the public hearing.

II. Public Hearing

The public hearing was recorded by the Department and a copy of the recording will be maintained by the Department. A copy of the recording may be obtained by submitting a request to the Department.

To begin the public hearing, Terry O'Clair made the following statements:

At this time we would like to begin the public hearing. My name is Terry O'Clair. I am the person designated by the State Health Department as the Hearing Officer to conduct this hearing for the proposed air pollution control permit to construct for the GTL Energy coal beneficiation plant. Please note that the hearing is being tape recorded for the purpose of creating a record. Let the record show that the time is approximately 8:05 p.m. Mountain Daylight Time on the 28th day of April, 2009. The location of this hearing is the Dickinson City Hall located at 99 East Second Street in Dickinson, North Dakota. The hearing is for the proposed air pollution control permit to construct for the GTL Energy coal beneficiation plant.

A little background for the record. The North Dakota Department of Health received an application from GTL Energy to construct a coal beneficiation plant. The primary objective of coal beneficiation involves the drying of coal with a high moisture content to produce coal that has significantly less moisture and a higher Btu content. In the process, low temperature steam produced by the boiler will be used to dry the coal.

Following the Department's review of the permit application, an Air Quality Effects Analysis for the GTL project was prepared, also a Notice of Intent to Issue and Air Pollution Control Permit to Construct was published in the Dickinson Press on February 6, 2009. A 30-day public comment period for the proposed permit was held from February 6, 2009 to March 9, 2009. Several comments were received regarding the proposed facility.

Based on the comments received, the Department published a Notice of a Public Information Meeting and a Public Hearing in the Dickinson Press on April 12, 2009. The public notice identified where the public could obtain additional information regarding the proposed permit, where written comments should be directed and the purpose and location of the scheduled public information meeting and public hearing. The public notice also provided notice that the public comment period for the proposed permit is extended to May 8, 2009.

It is important to note that all comments received during this public hearing as well as all written comments received by the Department on or before May 8, 2009 will be considered prior to making a final determination on the proposed permit. Upon completion of the Department review of all written comments received on or before May 8, 2009 and all oral comments received during the public hearing for the permit, the Department will make a final determination regarding issuance of a permit. We estimate that this process may take up to 30 days to complete from the close of the public comment period. The time to complete a review of the comments may vary from the 30 day time period depending on the number and complexity of the comments we receive.

The procedure we will be following for the hearing is as follows: I will shortly call upon anyone that wishes to present testimony to come forward up to the podium. Anyone presenting testimony should state their name, address, and the organization they represent, if any. Also, everyone presenting testimony and everyone in attendance is requested to sign the attendance sheet, once again for the record. Given the late hour that we are getting to, we do have a number of people who have indicated that they would like to testify so I ask that, we don't want to cut anybody off from their comments, but if you could restrict it to five minutes or so that would be appreciated. Also, if anyone has already made that comment and if you want to come forward and just say that you agree with their comment, that would be fine as well. If you have written comments, that would be especially appreciated.

Please remember that this is not a legislative hearing, it is not an adjudicative hearing, it is not a court hearing. The purpose of this hearing is to receive input, including additional data or view points, from interested parties, especially from those who have not had or will not have an opportunity to submit written testimony. I would like to emphasize that this hearing is not a question and answer session. However, if there is clarification needed in regard to the proposed

permit, we will be listening to your testimony and we will be happy to try and provide clarification following the public testimony received at the hearing.

Also, please remember that the proposed permit only relates to health and environmental impacts associated with permitting the coal beneficiation plant. It does not relate to other factors such as the desirability of the location of the facility or social and economic impacts. Therefore, we ask that you limit your comments to those concerns relating to the proposed air quality permit to ensure that all interested parties have an opportunity to provide comment for the record.

Are there any questions regarding the procedure?

Is there anyone that wishes to present testimony on this proposed air pollution permit for this coal beneficiation plant? I would ask you to come forward at this time.

Testimony

Following is a summary of the testimony received during the public hearing:

BLAINE NORDWALL – CHAIRMAN OF TEDDY ROSEVELT GROUP OF THE SIERRA CLUB

- The statutes that govern the rights of the parties to this proceeding are not crystal clear, specifically; North Dakota Century Code (NDCC) Section 23-25-08 provides that any procedures for determining compliance with the Department's rules and regulations quote "must be conducted in accordance with the provisions of Chapter 28-32." 28-32 is a chapter of the century code that concerns itself largely with two things: one is adjudicative hearings and one is rule-making hearings. NDCC section 23-01-23 provides that Chapter 28-32 doesn't apply with respect to which this is not an adjudicative hearing for the purpose of that chapter. Your materials suggested it's not a rule making hearing either. So the question is and I'm not asking for an answer now, is what pieces of Chapter 28-32 does the Department propose to apply in this process and specifically, what rights do the parties have to appeal and finally what does it take to establish the status as a party for the purposes of this proceeding? My assumption is that appearing here or sending a written comment is sufficient to establish status as a private party. I

would appreciate some suggestion as to what the answer might be. Thank you very much.

NANCY EBERTS – NEIGHBORS UNITED

- Expressed concern regarding the type of coal that will be brought to the plant, where the coal will be coming from and if the coal will be stock-piled. Expressed frustration in not knowing this information and would like answers to these questions.
- Stated that there has been no mention of the dangers, such as the coal dust and uranium in the coal, to the employees working at the plant.
- Expressed concern for the effects of uranium on the people, especially the children, in the South Heart area.
- Mentioned a press release which has all three companies listed on the letterhead. She stated that this proves that the companies are connected even though they claim to have no connection.
- Stated that this permit will make it easier for others to construct future projects.

MARY MITCHELL – DAKOTA RESOURCE COUNCIL

- Referenced a March 18, 2009 letter from GTL Energy to the Department that mistakenly said that the Dakota Resource Council (DRC) is an affiliate of the Sierra Club. She stated that this is incorrect; the two groups are two separate organizations.
- Stated that on page 3 of this letter, the decision that GTL Energy is not a surface mining company was an informal decision made by a staff member of the Public Service Commission (PSC). She stated that this issue is currently being reviewed and motions are pending regarding the need for a surface mining permit under the Surface Mining Control and Reclamation Act.

- Stated that as of April 13, 2009, the Department of Health (DOH) had received over 40 public comments regarding the GTL Energy facility and only one person asked for the issuance of the air quality permit.

NEIL TANGEN – NEIGHBORS UNITED

- Discussed the double standards society has regarding clean air and how it is looked at.
- Stated that second-hand smoke causes health problems which leads to many deaths every year while these same chemicals are released everyday by coal-fired power plants, but these emissions are not viewed by society in the same manner that second-hand smoke is.
- Stated that he recognized that GTL Energy is not a coal-burning plant, but by reducing the moisture from coal, more coal will be available to be burned; therefore, releasing more toxic chemicals into the air.
- Compared the coal industry to a city with a gang or drug problem; the city may come up with new ideas to solve the problem, but it is still in the background, just as burning clean coal will not completely solve the problem.
- Would like to know just what exactly clean coal is.
- Stated that alternatives need to be considered, such as more efficient electricity transmission grid lines, increasing home energy efficiency, a changing of lifestyle and habits and increasing renewable energy, such as solar and wind power.
- Expressed concern about the emissions from the trucks hauling the coal to the plant and the damage that may be inflicted on the roads due to increased truck traffic and why the company would choose to build their plant in an area where there is no coal mine.
- Expressed concern regarding the attitude of GTL Energy and their lack of planning and lack of information.

- Stated that he would like to know what GTL Energy stands for and why they chose to have their public meeting at 10:00 in the morning.

GLENN BARANKO – RESIDENT OF DICKINSON

- Stated that many of the issues concerning GTL Energy are happening just down the road at Red Trail Energy.
- Explained that Red Trail Energy deals with coal handling, off-loading and many similar coal handling processes that the proposed plant at GTL Energy will and no protests have been happening in regards to that plant.
- Stated that the Department has approved other facilities that handle and treat coal and this project is nothing new. Added that GTL Energy will be utilizing baghouses which are a technology proven to reduce emissions.

LUCY HURT – SOUTH HEART RESIDENT

- Discussed the natural disasters that have been affecting North Dakota recently. Droughts this summer led to fires across the states. Then winter hit with extensive snowfall and blizzard conditions then came the flooding in the spring. She explained that these were all natural disasters that could not be prevented.
- Stated that the Department has the power to prevent the construction and operation of the GTL Energy plant (which she claimed to be a man-made disaster).
- Expressed concern that this plant is a jumping off point for Great Northern Power to construct their future mine and plant.
- Stated that she believes that an Environmental Impact Statement should be required to assess all of the potential impacts/damage that may be caused to air quality, water quality

and the lives of people and that the proper permits need to be in place so that they are not left with tainted air and water.

LAURA TANGEN – NEIGHBORS UNITED

- Expressed concern regarding why South Heart was chosen for the proposed GTL Energy plant when there is no nearby coal mine or railroad access.
- Believes that the only logical reason for this is that GTL Energy and Great Northern Power have a plan to build a coal mine in the area, followed by a larger coal mine and then a gasification plant.
- Stated that the project should be looked at for what is really is and believes that this plant is just the beginning of a large coal industry in the area.
- Stated that the health effects of the future projects needs to be addressed and is asking the Department to deny issuance of the permit until all health risks have been considered for not only the GTL Energy facility, but for the future coal mine and coal plant.
- Discussed a study that had been conducted in 1985 where the health effects of those living near coal-fired power plants were researched. These researchers then went on to study children in North Dakota. In 2004, they found that there is an increase in asthma and respiratory diseases in children who live near coal-fired power plants.
- States that there is an increase in death due to heart attacks and lung cancer in the coal plant areas.
- Expressed concern that there is no monitoring of the air toxics that come from coal and families are not being protected. South Heart has a huge coal industry in front of them with many people's lives being affected by asthma, cancer and heart disease.

- Believes that erionite needs to be looked at because it will be disrupted by the shipment of coal back and forth to the plant. She states that erionite is very similar to asbestos, but it not currently regulated by the EPA; she would like to know if that is why it is not being addressed. Disrupting this erionite may cause an increase in lung disease, cancer and mesothelioma. She displayed a map of the location of erionite in the state of North Dakota and she noted that South Heart seemed to be in the middle of a restricted location. She stated that the Department should look at erionite and the possible health effects before issuing the permit.

MARY HODELL – RESIDENT OF DICKINSON

- Stated that she was at the public hearing/meeting as a mom. Her kids attend school in South Heart and have asthma and allergies.
- She called the Department after hearing about a possible gasification plant going up in the area and asked if she had anything to be concerned about. She was mailed a 2001 study that showed higher asthma and respiratory illnesses in the Beulah/Hazen/Center area.
- Expressed concern about the type of coal that will be used in the plant; she would like to know the effects of all types of coal that will be used in the plant, not just Texas and North Dakota lignite.
- Stated that she believes that a better monitoring system needs to be in place at the facility rather than just relying on workers to self-monitor the emissions.

GORDON KRANCE – NEIGHBORS UNITED

- Referenced a summary from GTL Energy's meeting stating that the solid waste of fine coal particles will be returned to the mine where it originated from. He would like to know what is in those particles. He stated that he believes that there may be uranium in this waste and it may be spread during the transportation to and from the plant in the 30 truckloads of coal coming into the plant each day, which is estimated by GTL Energy.
- Expressed concern regarding truck traffic and would like to know what the dust control will be.
- He wonders why they couldn't have just shipped this coal to test in Colorado, where they have a plant set up already.

VALERIA HOWARD

- Stated that she can think of no reason to put this plant in South Heart other than the fact that they are a rural area with good air quality and they do not have a very good organized resistance to this type of development.
- She stated that she would like to know why this area was chosen as it may jeopardize the tourism industry. She also asked who will be paying for the damage to the roads.

WAYDE SCHAFER – REGIONAL REPRESENTATIVE FOR THE CENTRAL REGION OF THE SIERRA CLUB

- Stated his concern about fine particulate matter emissions, not only at GTL Energy plant, but at the planned coal mine and gasification plant because he believes these facilities are on the drawing board. His main concern is that there is no assurance that the pollutants from GTL Energy and associated projects are being adequately dealt with.

- Expressed concern towards the Teddy Roosevelt National Park, which is located only 13 miles from the proposed GTL Energy plant. He wonders how the tourism industry will be affected.
- Concerned that there has been no consideration of greenhouse gas emissions. States that North Dakota is a leader and should take the forefront to begin to tackle the greenhouse gas problem in the United States. He believes the tipping point is coming concerning the greenhouse effect and instead of adding new sources of emissions, we should be reducing them.
- States that fugitive emissions need to be quantified in the Air Quality Effects Analysis and that the coal mine and coal plant need to be evaluated as one project. He references 40 CFR 51 Appendix W, Section 8.2.1 and states that the Department needs to consider this.
- Asks that the Department deny the permit application from GTL Energy until all environmental, social and health impacts can be evaluated within the context of the larger planned projects.

CAROL JEAN LARSEN – SIERRA CLUB (TEDDY ROOSEVELT GROUP), MISSOURI VALLEY RESOURCE COUNCIL, BADLANDS CONSERVATION ALLIANCE

- Stated that she is aware of the health studies done in coal country and thinks it is naïve to believe that GTL Energy will be the only plant built. She believes that the Permit must be evaluated to include the coal mine and coal plant.
- Believes that GTL Energy must have a clear plan to deal with particulate matter emissions and the Department must require a detailed monitoring plan, including who will do the monitoring and how it must be done.

- States that the water issues must be resolved, not only from this project, but from the future coal mine and coal plant. Expressed concern over the uranium in the coal and believes that GTL Energy and Great North Power need to explain how they plan to deal with this hazardous material.

FRANK HURT – NEIGHBORS UNITED

- Stated that he does not agree with the self-monitoring by employees at the plant. He would like to know how many pounds of this coal dust residents will have to breathe in before it affects their health.
- Concerned that the facility will not always operate their air pollution control equipment.
- Expressed concern that the facility is already constructed before they have obtained their permit.

MYRON EBERTS – NEIGHBORS UNITED

- Stated his concern about the monitoring at the facility.
- Concerned that there is no ambient air quality monitoring equipment in the area; only at the park.
- Believes that the Department needs to take a closer look at the plant before issuing the permit.

BOB FRENCH – GTL ENERGY

- Explained that GTL Energy is an independent technology provider and that is all. They have dedicated the last eight years to creating a technology that will benefit all users of lignite including the residents of North Dakota by cleaning coal and reducing emissions.
- Stated that they have complied with all the state and federal regulations, but they will answer any questions that the Department may have.

- Requested that their application should be approved and a minor source permit be issued for this test facility.

RYAN PAVLICEK

- Stated that corporations have negative impacts on the environment.
- Stated that we should be investing in renewables because of the dangers associated with fossil fuels.
- Stated that he believes the company has made irresponsible actions and has not taken the correct steps to obtain a permit.
- Requested answers from the Department for two questions: Prior to the passing of the zoning permit, did any of the commissioners on that board contact the Department on what the emission standards were with regards to the project and when was the last time that the Department changed their emission standards?

LINDA WEISS – BADLANDS AREA RESOURCE COUNCIL

- Stated that she has agreed with everything that has been said tonight.
- Explained that last August, the Stark County Commissioners showed interest in giving local citizens consideration in zoning matters because they will be the ones to absorb the impact of any changes in land use. She explained one instance where they voted against the permitting of a proposed crematorium because a large majority of people were against it. She then asked if a crematorium was a major or minor source of emissions. This question was answered immediately by Terry O'Clair. He responded that a crematorium is a minor source of air emissions.

PHIL KAMBEITZ – SIERRA CLUB

- Stated that he has a wind turbine constructed on his farm and that it did not contribute to global warming because it is a renewable energy.
- Asked if we are looking at the carbon coming out of the stack. He stated that he believes that the whole picture needs to be looked at; not just what's coming out of the stack. The Department needs to look at the coal being mined and also being burned after it is dried at the GTL Energy plant.
- Stated that until we know what the federal standards will be regarding carbon dioxide regulations, we should put the project on hold or deny the project.

BRYAN KRUSE – NEIGHBORS UNITED

- Stated that the project should be put on hold until the carbon dioxide standards are figured out.
- Expressed concern regarding the wells and the water quality if a mine is constructed.

ROB SAND – BADLANDS CONSERVATION ALLIANCE

- Stated that as a board member of the Badlands Conservation Alliance, it is his mission to conserve federal lands.
- Requested that the Department take a message to the Governor and legislature requesting that carbon dioxide be looked at along with any other pertaining information when considering this project.

Meeting Conclusion

After the last testifier spoke, Terry O'Clair concluded the meeting with the following statements:

Is there anyone else wishing to present testimony on the proposed air pollution permit?

The hour is getting late at this time. I want to assure you folks, and first of all thank you for all your testimony, and I want to assure you that the Department will address all of the comments we received tonight and all of the comments received in writing until the end of the public comment period. Once again the public comment period will end on May 8, 2009 and if anyone

wishes to submit written comments we would encourage you to do that as well. A copy of the hearing record will be made available.

If there is no further testimony at this time, the time being 9:25 p.m. Mountain Daylight Time.

Last chance to give any testimony.

OK. Thank you for coming and we will close the hearing at this time.